

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 20 AUGUST 2004**

I. CEFMS:

A. We changed the CEFMS disbursement process for interest on obligations funded by Plant Replacement Improvement Program (PRIP). Per DoD Financial Management Regulation (DODFMR) Volume 4, interest paid should not be capitalized; therefore, we now expense interest rather than using the cost type entered on the originating record.

B. At the request of TransAtlantic Center (TAC), we enhanced the process for SF1164 (Request for Reimbursement for Miscellaneous Expenses). The changes were necessary to reimburse employees who are reassigned to TAC before deployment to Iraq or Afghanistan. Changes allow employees identified in the employee table as 'Other Government' to file for reimbursement of miscellaneous expenses. Previously, only civilian or military employees of the district could be reimbursed using this process.

C. We are testing the rewrite of the Winchecks Program that is used to print Treasury and Foreign Currency Checks. The program (originally written in 1992) had to be updated with the most recent software release because the Software Contractor no longer supported the old software version.

D. We changed CEFMS to improve reporting on the Customer Order Transaction Listing. Prior to the change, total costs were understated because interest costs were not reflected on the report. The listing now provides the correct totals which include interest costs.

E. We changed the multi-purpose power automated financial statements to properly report funds with Treasury on the liabilities statement. The non-federal contributions line and funds with Treasury now reflect the correct joint cost allocation percentages. Additionally, the title line for the balance sheet was corrected.

F. We continue to participate in many conferences and discussions with the P2 team on the yearend procedures. Guidance will be released from HQ USACE stating that the CEFMS yearend close-out will not activate the second P2 switch for deployed sites. This means that non-P2, non-revolving fund work items will not be closed as a part of the CEFMS yearend process. USACE activities will be directed to manually activate the switch based upon their completion of project loading in P2.

G. We continue to have discussions with HQ USACE (CERM-F) on required changes to the CEFMS credit card process. The changes are the result of a DoD IG audit recommending additional separation of duties. We are coordinating the changes with the issuance of policy.

H. Our USACE 2012 initiative for Cross Charging of Labor is proceeding as scheduled. We have completed most of the programming and we are testing the forms and reports. We are also testing the changes related to the P2 interface routines. We have received requests for guidance to be issued on the process. We will provide guidance to all USACE activities before the functionality is released in October.

I. We are testing the yearend programs and making changes/improvements as necessary. We ran a test close-out on the GRD database and trained Bill Mason in the new procedures. Mr. Mason is a retired CEFMS systems accountant who has been hired as a reemployed annuitant. He has been in the office training for 2 weeks and will be in Iraq on 29 Aug 04. He will be in Iraq for approximately 5 months.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	881	876
Priority #1 Problems	70	75

Received 223 new problem reports and completed 218 problem reports.

B. Database Imbalances on our 62 Production Sites:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	56	58
One	3	2
Two	3	1
Three	0	1

III. ACCOUNTING OPERATIONS

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON	235
HUNTSVILLE	23
USACE HQ	1
DA INTERN	4
TOTAL	263

B. DISBURSING WORKLOAD DATA:

PAYMENT	CURRENT MONTH Aug 01-17	YEAR TO DATE Oct 01-Aug 17
CHECK:		
CHECKS ISSUED	7,472	132,850
PERCENT OF TOTAL	10%	12%
DOLLAR AMOUNT	\$80,279,866	\$1,146,048,106
EFT:		
TRANSFERS MADE	34,244	511,771
PERCENT OF TOTAL	90%	88%
DOLLAR AMOUNT	\$ 941,410,639	\$14,781,786,063

*percentages adjusted for utility checks which do not have to participate in EFT.

IV. OTHER UFC ISSUES

A. We have begun planning for the fiscal year end closeout of the Finance Center CEFMS database. The Resource Management Division developed a closeout calendar of tasks to be accomplished and the related dates. We will have a meeting with all timekeepers near yearend to ensure time and attendance is processed properly. We are analyzing and monitoring direct funds balances, as well as executing the CEFMS end of year pre-

closing programs weekly. We will begin the third and final phase of the Joint Review Program on 20 August.

B. Our training officer is coordinating with the Memphis District to have a session of Leadership, Education and Development (LEAD) training conducted at the UFC in the first quarter of FY05. We compiled a list of 22 potential UFC attendees for the LEAD training. We are also working with the Air Force Judge Advocate General School to participate in the next distance learning Fiscal Law course which will be offered in the Memphis area. The tentative schedule for this training is February 2005, and we have several accountants who need to attend.

C. The UFC Trusted Agent Security Manager (TASM) attended the CAC training session in Arlington, VA on 9 Aug 04. The training covered the installation of hardware as well as establishing accounts and resetting PINs. The portable CAC PIN reset machine was transferred to the TASM who brought it back from the training. The TASM will now train the alternate TASM and two CAC Trusted Agents (CTA). We expect that the majority of UFC employees will need their PIN reset because of the long delay between issue and initial use.

D. The Accounting Quality Division has been reviewing the Jacksonville CEFMS database to ensure that the FEMA orders for Hurricane Charley were established in accordance with billing requirements. The purpose of this review is to avoid any future problems when billings are issued to FEMA. In performing the review, we contacted Jacksonville personnel in Resource Management and CONOPS. We provided guidance on the remarks section of government orders issued by Jacksonville to various USACE activities and on the proper format for customer order information recorded on the Jacksonville database. We will continue to review the Jacksonville database and provide additional guidance if necessary.

E. The UFC Army Suggestion Program (ASP) coordinator was selected to participate in a test group for the new automated suggestion program. Testing was conducted during the week of 16 August. The contractor hired by HQDA set up a USACE module that mirrored the live production data that will eventually be deployed from the Army Knowledge Online (AKO) website. Participants throughout the MACOM played various roles in the suggestion process.

F. HQ USACE Office of Counsel is assisting UFC with concerns on an Iraqi Project and Contracting Office (PCO) contract issued to Xuan Yuan Industrial Development Co., Ltd. in China. The contract requires an advance payment of approximately \$218K to the Heilongjiang Branch of the Bank of China. The bank has issued an advance payment bond for the funds to be deposited in a special account for draw down as contractor work is completed. UFC concerns include the legality of the contract advance payment within the FAR guidelines; the security of the funds in the Bank of China; and the availability of the advance funds should the contractor default. We are awaiting a final legal decision before proceeding with processing the payment.

G. Considering the current high visibility within DoD of accounts receivable and debt management and to ensure that all guidance and regulations are being met, we reorganized the Accounts Receivable/Debt Management Division effective 9 Aug 04. Previously, the staff in the Division was tasked with both accounts receivable and debt management duties. The reorganization created a Debt Management Division with Ms. Sheila Falkner as Chief and an Accounts Receivable Division with Mr. Rick Reyes as Chief. The Accounts Receivable Division is responsible for all of the current billings, and Debt Management will provide research, follow up and transfer of the aged debt. This reorganization should provide more time for a concentrated effort by each Division in their respective areas.

H. Two USACE Finance Center Travel Division personnel traveled to the Huntsville Systems Office the week of 16 Aug 04 to test the new Integrated Automated Travel System (IATS) Release 6.03 software. The new release Systems Acceptance Test (SAT) is scheduled for Sep 04 with on-site assistance provided by DFAS. UFC travel is processing PCS vouchers received on 10 Aug 04.

I. The CFO/Civil Reports Division continues to work on reconciliation with other Federal (non DoD) agencies for payable, receivable, revenue, expense and transfer trading partner data.

J. As a test for potential process changes with compilation of the CFO statements, we provided revenue and expense trading partner data to DFAS Indianapolis for

Army (Treasury Index 21) for the month of July. After reviewing the current process for improvements, we determined that reconciling the intra-governmental DoD transitions on a monthly versus quarterly basis will streamline and improve the quarterly trading partner elimination process.

K. The CFO Division participated in a teleconference with HQ DFAS Reconciliation Workgroup. The CFO Division is included in the DFAS workgroup that is analyzing the relationship between budgetary and proprietary accounts and determines edits for the Defense Departmental Reporting System (DDRS). DDRS is the DFAS system for compiling all DoD Financial Statements.